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INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER
ON A
PROPOSED GRANT

IN THE AMOUNT OF SDR 76.1 MILLION
(US\$100 MILLION EQUIVALENT
OF WHICH US\$80 MILLION FROM THE CRISIS RESPONSE WINDOW)

TO THE
FEDERAL REPUBLIC OF SOMALIA

FOR A
THIRD ADDITIONAL FINANCING FOR THE SHOCK RESPONSIVE SAFETY NET FOR
HUMAN CAPITAL PROJECT

December 4, 2023

Social Protection and Jobs Global Practice
Eastern and Southern Africa Region

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CURRENCY EQUIVALENTS

Exchange Rate Effective October 31, 2023

Currency Unit = US\$

SDR 0.761 = US\$1

US\$1.314 = SDR 1

FISCAL YEAR

January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
AM	Accountability Mechanism
ASA	Advisory Services and Analytics
CFM	Common Feedback Mechanism
CPF	Country Partnership Framework
CRW	Crisis Response Window
CSC	Community Selection Committee
E&S	Environmental and Social
EAFS	External Assistance Fiduciary Section
ECT	Emergency Cash Transfer
ESMF	Environmental and Social Management Framework
FCV	Fragility, Conflict, and Violence
FGS	Federal Government of Somalia
FM	Financial Management
FMS	Federal Member States
GDP	Gross Domestic Product
GDWG	Government-led Donor Working Group
GHG	Greenhouse Gas
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
HIPC	Heavily Indebted Poor Countries
HLO	High-Level Outcome
IDP	Internally Displaced Person
IOM	International Organization for Migration
IPC	Integrated Food Security Phase Classification
IPF	Investment Project Financing
ISR	Implementation Status and Results Report
LMP	Labor Management Procedures
M&E	Monitoring and Evaluation
MIS	Management Information System
MoLSA	Ministry of Labor and Social Affairs
NSPSC	National Social Protection Steering Committee
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
PDO	Project Development Objective
PIU	Project Implementation Unit
PMT	Proxy Means Test
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SGBV	Sexual and Gender-Based Violence
SNHCP	Somalia Shock Responsive Safety Net for Human Capital Project
SNLRP	Shock Responsive Safety Net for Locust Response Project
SPWG	Social Protection Working Group
ToR	Terms of Reference
TPM	Third-Party Monitoring
UCT	Unconditional Cash Transfer

UN	United Nations
UNICEF	United Nations Children's Fund
USR	Unified Social Registry
WFP	World Food Programme

Somalia

Third Additional Financing for the Shock Responsive Safety Net for Human Capital Project

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BASIC INFORMATION – PARENT (Shock Responsive Safety Net for Human Capital Project - P171346)

Country Somalia	Product Line IBRD/IDA	Team Leader(s) Ali Nadeem Qureshi		
Project ID P171346	Financing Instrument Investment Project Financing	Resp CC HAES2 (10211)	Req CC AECE2 (6542)	Practice Area (Lead) Social Protection & Jobs

Implementing Agency: Ministry of Labor and Social Affairs

Is this a regionally tagged project? No	
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Bank/IFC Collaboration No

Approval Date 08-Aug-2019	Closing Date 31-Dec-2024	Expected Guarantee Expiration Date	Environmental and Social Risk Classification Moderate
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Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach [MPA]	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input checked="" type="checkbox"/> Responding to Natural or Man-made disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)

Development Objective(s)

The project development objective is to provide cash transfers to targeted poor and vulnerable households and establish the key building blocks of a national shock-responsive safety net system.

Ratings (from Parent ISR)

	Implementation					Latest ISR
	22-Dec-2020	24-Jun-2021	14-Jan-2022	08-Aug-2022	20-Feb-2023	16-Aug-2023
Progress towards achievement of PDO	S	S	S	S	S	S
Overall Implementation Progress (IP)	S	S	S	S	S	S
Overall ESS Performance	MS	S	S	S	S	S
Overall Risk	S	S	S	S	S	S
Financial Management	MS	MS	MS	MS	MS	MS
Project Management	S	S	S	S	S	S
Procurement	MS	MS	MS	MS	S	S
Monitoring and Evaluation	S	S	S	MS	MU	MU

BASIC INFORMATION – ADDITIONAL FINANCING (Somalia Shock Responsive Safety Net for Human Capital Project Third Additional Financing - P181469)

Project ID	Project Name	Additional Financing Type	Urgent Need or Capacity Constraints
P181469	Somalia Shock Responsive Safety Net for Human Capital Project Third Additional Financing	Restructuring, Scale Up	Yes



Financing instrument Investment Project Financing	Product line IBRD/IDA	Approval Date 15-Dec-2023	
Projected Date of Full Disbursement 30-Apr-2026	Bank/IFC Collaboration No		
Is this a regionally tagged project? No			

Financing & Implementation Modalities

<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input checked="" type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input checked="" type="checkbox"/> Responding to Natural or Man-made disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)
<input type="checkbox"/> Contingent Emergency Response Component (CERC)	

Disbursement Summary (from Parent ISR)

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed	
IBRD				<div style="width: 0%;"></div>	%
IDA	318.00	239.31	68.92	<div style="width: 78%;"></div>	78 %
Grants				<div style="width: 0%;"></div>	%

PROJECT FINANCING DATA – ADDITIONAL FINANCING (Somalia Shock Responsive Safety Net for Human Capital Project Third Additional Financing - P181469)

FINANCING DATA (US\$, Millions)



SUMMARY (Total Financing)

	Current Financing	Proposed Additional Financing	Total Proposed Financing
Total Project Cost	318.00	100.00	418.00
Total Financing	318.00	100.00	418.00
of which IBRD/IDA	318.00	100.00	418.00
Financing Gap	0.00	0.00	0.00

DETAILS - Additional Financing

World Bank Group Financing

International Development Association (IDA)	100.00
IDA Grant	100.00

IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	SML Amount	Guarantee Amount	Total Amount
Somalia	0.00	100.00	0.00	0.00	100.00
National Performance-Based Allocations (PBA)	0.00	20.00	0.00	0.00	20.00
Crisis Response Window (CRW)	0.00	80.00	0.00	0.00	80.00
Total	0.00	100.00	0.00	0.00	100.00

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any other Policy waiver(s)?

Yes No



Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

INSTITUTIONAL DATA

Practice Area (Lead)

Social Protection & Jobs

Contributing Practice Areas

Governance

Health, Nutrition & Population

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

**PROJECT TEAM****Bank Staff**

Name	Role	Specialization	Unit
Ali Nadeem Qureshi	Team Leader (ADM Responsible)	Social Protection	HAES2
Mona Luisa Niebuhr	Team Leader	Social Protection	HAES2
Francis Akolu Muthuiya	Procurement Specialist (ADM Responsible)	Procurement	EAERU
Stephen Diero Amayo	Financial Management Specialist (ADM Responsible)	Financial Management	EAEG1
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Extended Team

Name	Title	Organization	Location
Denis Nikitin	SP Technical Consultant		Washington, D.C.



I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

A. Introduction

1. **The Federal Government of Somalia (FGS) has requested additional financing (AF) to address drought- and flood-induced emergency needs under the Somalia Shock Responsive Safety Net for Human Capital Project (SNHCP, P171346).** The financing amount is US\$100 million equivalent from the International Development Association (IDA), including US\$80 million equivalent from the Crisis Response Window (CRW) and US\$20 million equivalent from Performance-Based Allocation. The proposed third AF to SNHCP will result in the provision of emergency cash transfers (ECTs) to 215,000 households affected by floods and drought crisis, extension of regular safety net support to existing 200,000 households for six months (up to June 30, 2024), and, thereafter, the extension of unconditional cash transfers (UCTs) to a recertified cohort of 50,000 beneficiaries. The AF will ensure that the coverage of cash transfers to the most vulnerable continues to meet the scale and scope of need in the context of the scale-down of humanitarian assistance. In addition, the FGS requested a SNHCP restructuring to invest in key building blocks for resilience to future crises by expanding the Unified Social Registry (USR) surveys nationwide and changing the implementation modality for the Baxnaano urban expansion from the United Nations (UN) to direct implementation. This AF will apply the procedures under paragraph 12 of Section III of the World Bank Investment Project Financing (IPF) Policy, Preparation of Investment Project Financing - Projects in Situations of Urgent Need of Assistance or Capacity Constraints, given the country context characterized by fragility, conflict, and violence (FCV) and low institutional capacity. The AF activities are consistent with the original Project Development Objective (PDO) and are strategically aligned with the National Social Protection Policy (2019) and the World Bank forthcoming Country Partnership Framework (CPF) for the period of FY24–28 for Somalia.

B. Country Context

2. **Somalia is facing a rapidly unfolding humanitarian catastrophe, driven by the longest and most severe drought in at least 40 years.** Somalia has faced six substandard rainy seasons, gradually increasing the scale and scope of humanitarian needs. The outlook for the second half of 2023 remains dire, in anticipation of a strong El Niño associated with severe rains, flooding, displacement, and loss of lives and livelihoods. An important contributing and complicating factor is the suspension of the Black Sea Grain Initiative in July 2023. This has aggravated the financing gap as Somalia relies heavily on imported food commodities. In 2023, an estimated 8.25 million people, nearly half of Somalia’s population, require immediate humanitarian assistance with more than 1.5 million internally displaced persons (IDPs) due to the drought, including 369,000 in the first half of 2023.¹ This drives the cumulative number of IDPs in Somalia to an estimated 3.8 million.² The drought left over 3.8 million livestock dead, eroding the primary source of livelihood, income, and nutrition for pastoralist communities.³

¹ United Nations Office for the Coordination of Humanitarian Affairs (OCHA), 2023, Somalia Humanitarian Response Plan.

² International Organization for Migration (IOM), 2023, Displacement in Somalia Reaches Record High 3.8 million: IOM Deputy Director General Calls for Sustainable Solutions. <https://www.iom.int/news/displacement-somalia-reaches-record-high-38-million-iom-deputy-director-general-calls-sustainable-solutions>.

³ OCHA, 2023, Somalia Humanitarian Response Plan.



3. **While famine conditions have been averted in early 2023, the latest acute food insecurity and acute malnutrition analysis report, published on September 18, 2023, shows 4.3 million individuals projected as acutely food insecure (IPC 3+⁴) between October and December 2023.** The scale and severity of needs extend across water, sanitation, and health, with millions of people requiring humanitarian assistance. Malnutrition levels are alarmingly high with more than 1.5 million children under the age of five facing acute malnutrition, of which 331,000 are experiencing severe acute malnutrition. An additional 1.1 million children of the same age are exposed to moderate acute malnutrition.

4. **Somalia continues to contend with increasingly frequent shocks in the context of widespread FCV.** Recurrent climate-related shocks such as cycles of droughts and floods, locust infestation, higher international commodity prices, as well as increased insecurity and conflict have interrupted the country's growth trajectory and slowed the transition from fragility. Real gross domestic product (GDP) growth averaged only 2 percent per year in 2018–22, while real GDP per capita averaged –0.8 percent per year. The World Bank's November 2023 Somalia Economic Update and the May 2023 International Monetary Fund Extended Credit Facility Review underlined the significant impact of the drought on economic growth in 2022 and 2023. This comes on the back of the 'triple crisis' of COVID-19, the desert locust infestation, and floods, which significantly reduced economic growth in 2020 and 2021.

5. **Repeated shocks have eroded households' asset base and purchasing power, increasing the risk of more people falling into poverty.** As a result of protracted conflict, two generations of youth have been denied education, livelihoods, and chances of a normal and peaceful life. One in three youth are neither employed nor in education or training.⁵ At the same, they represent a critical national resource to drive peace, stability, economic growth, and national transformation.

6. **Limited fiscal space severely constrains the government's ability to respond to multiple shocks while gradually transitioning development financing from grants to loans.** Somalia is expected to reach Completion Point of the Heavily Indebted Poor Countries (HIPC) initiative by the end of 2023. At that point, the country will receive full and irrevocable debt relief. On July 28, 2023, the World Bank approved a Somalia Second Inclusive Growth Development Policy Operation (P179307) to address fiscal pressures, enhance economic resilience, and provide necessary support to reach HIPC completion. These resources however will not be able to prioritize drought and flood response at scale.

C. Sectoral and Institutional Context

7. **Somalia is gradually establishing the building blocks of a shock-responsive safety net system through the launch of its first national safety net platform, Baxnaano.** The Baxnaano program was launched in late 2019 and is administered by the Ministry of Labor and Social Affairs (MoLSA) on behalf of the FGS. It provides support to poor and vulnerable beneficiaries through two windows:

- (a) **Regular window.** This window aims to address chronic poverty and food security and enhance the human capital accumulation of beneficiary households through a UCT program

⁴ IPC stands for Integrated Food Security Phase Classification, which is a multi-partner initiative to classify the severity and magnitude of food insecurity and malnutrition to facilitate decision-making. The severity phases are: (a) minimal/none, (b) stressed, (c) crisis, (d) emergency, and (e) catastrophe/famine. <https://www.ipcinfo.org/>.

⁵ World Bank, 2022, *Somalia Economic Update - Investing in Social Protection to Boost Resilience for Economic Growth*.



which covers approximately 1.3 million chronically poor and vulnerable individuals, with focus on households with children under five years of age. The program provides reliable support of US\$20 per month to each household for three years. The program is currently active in 25 districts across all Federal Member States (FMS) and Somaliland

- (b) **Shock response window.** This window aims at protecting the human and physical assets of the poor and vulnerable during shocks and enabling recovery. The window is expected to support a total of 3.6 million individuals with temporary ECTs, in particular climate change-related emergencies. The window provides US\$60 per month per household for a period of six months.

8. **In support of Baxnaano, SNHCP aims to provide cash transfers to targeted poor and vulnerable households and establish the key building blocks of a national shock-responsive social protection system.** The parent project (US\$65 million, approved on August 8, 2019) supported the FGS efforts to establish Baxnaano and initially financed regular cash transfers to approximately 1.2 million individuals in 25 districts across all FMS and Somaliland. The first AF in the amount of US\$110 million equivalent, approved on June 17, 2021, increased the duration of Baxnaano support for the same cohort to ensure that efforts at improving human capital could be maintained. The second AF in the amount of US\$143 million equivalent, approved on June 22, 2022, supported a response to the urgent food security needs of poor and vulnerable populations affected by the prevailing drought crisis which began in late 2021, further increased the duration of Baxnaano support for the enrolled cohort, and provided support to expand Baxnaano support to beneficiaries in urban areas with a focus on Banadir Regional Administration. In addition, the project, together with the World Bank’s complementary advisory services and analytics (ASA) and in collaboration with the World Food Programme (WFP) and the United Nations Children’s Fund (UNICEF), has been supporting MoLSA to build internal capacity and develop its own delivery systems, to enable transitioning to direct implementation by MoLSA. Baxnaano is gradually being recognized as a national social protection platform that facilitates coordination and collaboration with humanitarian programs, with a vision to transition from a humanitarian mode of operation and take on a longer-term programmatic developmental focus.

Table 1. World Bank Financing Support to Baxnaano

Project	Window	Regular Window UCTs		Shock Response Window ECTs	
		Number of Households	Benefit Level	Number of Households	Benefit Level
SNHCP (US\$65 million)	Regular	200,000	US\$20 × 12 months	—	—
SNHCP AF (US\$110 million)	Regular / Shock Response	200,000 (same cohort)	US\$20 × additional 12 months	100,000	US\$60 × 6 months
SNHCP Second AF (US\$143 million)	Regular / Shock Response	200,000 (same cohort)	US\$20 × additional 12 months	93,000	US\$60 × 6 months
SNLRP (US\$40 million)	Shock Response	—	—	100,000	US\$60 × 6 months
SNLRP AF (US\$75 million)	Shock Response	—	—	160,000	US\$60 × 6 months



9. **The complementary Shock Responsive Safety Net for Locust Response Project (SNLRP) (P174065) used the Baxnaano platform to deliver ECTs to households affected by locust infestation.** SNLRP has supported 261,993 households (over achievement against the program target of 260,000 households in addition to the 193,000 households supported with ECTs by SNHCP) with ECTs as of November 30, 2023. SNLRP made good progress in contributing to the strengthening of the wider social protection system by supporting the ongoing registration of 330,000 families in the USR. It has achieved 92 percent disbursement and is expected to close on March 31, 2024 (Table 1).

D. Project Status

10. **SNHCP has achieved significant results and incrementally introduced important innovations to support the gradual establishment of a comprehensive social protection program under the leadership of the government.** Despite the challenges posed by recurrent disasters including drought, locust invasion, COVID-19 pandemic, flooding, and complex political dynamics between the FGS, FMS, and Somaliland, as of November 2023, proceeds from the parent project and the first and second AF have been utilized at 78 percent disbursement (US\$239.31 million). The remaining funds under SNHCP (US\$68.92 million) are committed to meet requirements under the regular cash transfer program up to June 30, 2024, and for USR surveys as well as their management. Ratings for both 'Progress Towards Achievement of PDO' and 'Overall Implementation Progress' were Satisfactory since the beginning of the project. The emergency component of the second AF has been completed with 193,000 drought-affected households receiving or having received ECTs. Each component shows significant progress against targets:

- (a) **Component 1** (Nutrition-linked Unconditional Cash Transfers) has supported 199,913 (99 percent as of November 30, 2023) of 200,000 households under Baxnaano 'regular' receiving quarterly cash transfers up till December 31, 2023. In addition, 321,746 drought-affected households (95 percent as of November 30, 2023) of the program target of 338,000 households have already been identified, screened, and verified to receive ECTs under the Baxnaano shock response window to cope with the impacts of the protracted natural disaster. Of these, 193,000 households have already received ECTs.
- (b) **Component 2** (Delivery Systems and Institutional Capacity Building) is implemented under an Agreement for Delivery of Outputs between MoLSA and UNICEF. The development of a USR, Baxnaano management information system (MIS), and the overall delivery mechanism, which are the key building blocks of such a system, are well advanced.
- (c) **Component 3** (Project Management, Monitoring and Evaluation, and Knowledge Management) has financed the Project Implementation Unit (PIU) within MoLSA and helps strengthen horizontal coordination with other line ministries as well as between the FGS and FMS.
- (d) **Component 4** (Household Registration in the USR) finances the expansion of the USR by registering households not yet included in the database using its Common Registration Form. The first and second rounds of surveys have been completed with the target of adding a total of some 250,000 households' data into the database, which combined with the ongoing registration under SNLRP would expand the database to some 780,000 households.



11. **Project ratings.** The project fiduciary (financial management [FM] and procurement) arrangements are deemed to be adequate. The project continues to perform well on environmental and social (E&S) aspects with a functioning grievance redress mechanism (GRM) and has not reported any major issues. All social risk management plans for the project have been prepared by MoLSA and cleared by the World Bank. The monitoring and evaluation (M&E) rating has been ‘Moderately Unsatisfactory’ for the past two Implementation Status and Results Reports (ISRs, February and August 2023) due to the unsatisfactory performance of the previous third-party monitoring (TPM) agent. Yet, MoLSA, WFP, and UNICEF’s reporting has been timely and relevant, with timely submission of the biannual SNHCP Progress Reports and regular field visits to project sites to monitor progress and gather beneficiary feedback. Further, a new TPM firm is in place, and the overall M&E approach for Baxnaano is currently being updated in the Project Implementation Manual to fully integrate lessons learned from past challenges, both of which are expected to lead to a further improvement in M&E management.

E. Rationale for Additional Financing

12. **This AF will respond to urgent crisis needs by:** (a) scaling up to extend and expand cash transfers to the most vulnerable and crisis-affected households, and (b) reallocating resources to invest in key building blocks for resilience to future crises.

13. **The AF will scale up emergency transfers and extend regular safety net support to the poorest and the most vulnerable households, drawing on CRW ‘last resort financing’.** The project targets 338,000 poor and vulnerable households affected by the drought which have already been identified and have suffered compounded impacts of conflict, locust invasion, COVID-19, and most recently the floods. This AF will provide support to an additional 1.3 million of the most food-insecure and vulnerable individuals in need of immediate assistance who are not currently supported by any other program. SNHCP also provides support to a total of 200,000 of the poorest households through UCTs, enrolled for a period of three years up to December 31, 2023. However, due to multiple and overlapping crises over the past three years, this cohort of the most vulnerable households is at risk of falling back into deep vulnerability. The AF will therefore support an additional six months of to the existing regular beneficiaries while additional accompanying measures on communication and beneficiary engagement will take place to ensure the cohort can exit the program. Subsequently, the project will extend support to a recertified cohort of 50,000 beneficiaries identified using USR data and a proxy means test (PMT) based targeting approach in existing districts which were identified as the most food insecure and vulnerable using the District Distress Index.⁶

14. **The severity and extent of the drought and flood crisis have led to a significant gap in funding to cover households projected to be in acute food crisis conditions.** About 4.3 million individuals are in IPC 3+ status and require urgent assistance. Based on WFP projections, contributions from development partners currently meet the needs of approximately 2.3 million individuals. The proposed third AF would result in provision of ECTs to about 1.3 million people affected by the crisis—representing one-third of the people currently facing crisis level and above food insecurity, thereby providing a significant

⁶ Final selection of target districts was based on an objective distress index agreed with MoLSA and involved in-depth discussions and consultations with the FMS. The index prioritizes predominantly rural districts with high distress rating, which considers vulnerability in terms of malnutrition (prevalence of moderate acute malnutrition and severe acute malnutrition cases), and past impact and/or risk of drought (IPC 3+ ranking).



contribution by the government. Household selection in eligible villages follows the approach currently practiced by the Baxnaano regular program, that is, eligible households were identified through a community-based targeting process whereby community selection committees (CSCs), with support from UN agencies and their implementing partners, identified the poorest households as perceived by the community. The support provides much needed relief and prevents negative coping strategies, providing households with a chance to address their current needs while beginning the process of recovery from the impacts of recurrent shocks. While identifying new ECT beneficiaries, the implementing agency will use strengthened risk management protocols described below.

15. Existing implementation arrangements have been tested and used for over three years, resulting in strong operational experience in delivery of social assistance to populations in urgent need.

The parent project supported efforts to address the drought crisis by frontloading cash transfer allocations toward shock-responsive top-ups to 175,000 of the 200,000 regular households through vertical expansion. The compounded shocks had pushed these households into extreme food insecurity and poverty as livelihoods were lost and families displaced. Given the pressing needs of the poor and vulnerable population which were further exacerbated by the drought, the FGS considers a horizontal expansion to provide cash transfers to support consumption smoothing an appropriate response.

16. The AF will build a bridge for future sustainability by investing in key building blocks for resilience and shock responsiveness to future crises, through a restructuring and reallocation of requisite resources.

This entails expanding USR surveys nationwide and changing the implementation modality for the Baxnaano urban expansion from the UN to direct implementation. These investments are necessary to ensure that the national social protection platform can respond to shocks faster and with greater accuracy. At the institutional level, the nationwide expansion of the USR database will significantly strengthen system-wide Government-led coordination and improve targeting efficiency for future shock response while improving risk management. The investments will allow de-duplication of beneficiaries across different funding sources and further improve traceability of services received. Through these enhancements, the USR will enable a rapid and transparent response to future crises, removing key weaknesses in targeting and enrolment processes that creates a possibility of exploitation of beneficiaries of humanitarian support. As is evident in a context of multiple overlapping crises and large-scale humanitarian response, it is essential to build tools that allow transparent and efficient targeting of beneficiaries and strengthen systems that improve coordination of the response. The USR will be at the core of a national adaptive social protection platform which builds resilience by protecting the poorest using safety nets, cushions households from economic shocks, promotes human capital accumulation, and improves labor market outcomes.

17. There is an urgent need for the World Bank's support.

With low domestic revenues and significant gap in international financing to support food security, especially in the context of current global emergencies and competing demands for crisis response, the World Bank's engagement will be essential in ensuring the poor and vulnerable are protected during this period as they face difficulties in meeting basic needs. The World Bank has a comparative advantage in addressing the demand-side pressures by financing transfers and supporting the refinement of the service delivery process. This will also help ease the financial burden on the humanitarian system, which is struggling to respond to the back-to-back and concurrent shocks of the last few years and the scale-down of the response following the funding surge in 2022.



F. Strategic Relevance

18. **Social protection continues to be a critical element in the FGS fight against poverty and efforts to promote prosperity.** The parent project and the proposed third AF are aligned directly with the FGS's national strategy and policy. The Ninth National Development Plan (2020–2024) dedicates its Pillar 4 to social development, which entails “strategies and interventions that improve access by Somali citizens to health, education and other essential services, including social protection systems in times of extreme need”. More specifically, the Somalia Social Protection Policy (2019) defines social protection as “government-led policies and programs, which address predictable needs throughout the life cycle in order to protect all groups, and particularly the poor and vulnerable, against shocks, help them to manage risks, and provide them with opportunities to overcome poverty, vulnerability, and exclusion.” The complementary Social Protection Policy Implementation Framework (2019) is structured around seven policy priorities, including “unconditional assistance for the poorest and neediest,” and “foundational systems and capabilities,” both of which are directly supported by project investments in cash transfers and delivery mechanisms. The project directly complements the government's Baxnaano Roadmap (2023–28) and supports its implementation.

19. **The parent project and the proposed AF continue to support the World Bank's developmental vision for Somalia and the Eastern and Southern Africa region more broadly.** The World Bank Group's CPF for FY19–22 for Somalia (Report No. 124734-SO), discussed by the Board on August 29, 2018, and extended through FY23 by the Performance and Learning Review (Report No. 176049), as one of its four focus areas, supports strengthening institutions to deliver services and highlights the World Bank's intent to build on existing technologies and programs to support development of a shock-responsive safety net system and thereby test a new model of state-facilitated resilience building. In regard to the forthcoming CPF for FY24–28, the AF will directly contribute to the Objective 2.2 “Increase coverage of the social protection system” under High-Level Outcome (HLO) 2 “Enhanced Human Capital”. It will also contribute to the Objective 2.3 “Improve utilization of essential health and nutrition services”; HLO 1 “Inclusive, private sector led job creation and economic growth;” and HLO 3 “Greater Resilience to climatic and other shocks”. Furthermore, the World Bank Group's Africa Regional Strategy envisages investing in people and supporting climate change mitigation and adaptation, both of which are directly financed via shock-responsive cash transfers to promote the uptake of nutrition services.

20. **At a global level, the World Bank Group's Strategy for FCV (2020–2025), which has established a framework for such settings, commits to remaining engaged during situations of crisis.** This entails building resilience, protecting essential institutions, and delivering critical services—actions which the proposed AF directly addresses and promotes. Moreover, the strategy recognizes the need to build partnerships with humanitarian actors and has cited the project's collaboration with WFP and UNICEF as good practice examples as part of its Famine Action Mechanism, which provides a model for sharing information on food insecurity situations and mobilizing anticipatory action before the onset of major shocks.

21. **More broadly, the project is aligned with the Evolution priorities and the World Bank's new mission to end extreme poverty and boost shared prosperity on a livable planet.**



II. DESCRIPTION OF ADDITIONAL FINANCING

A. Overview

22. **The proposed AF and concurrent restructuring will support the scale-up of emergency support and extension of the regular Baxnaano program and strengthen key building blocks for resilience to future shocks.** No changes will be made to the PDO or the implementation arrangements by component. Changes are being made to: (a) components, costs, and scope of activities; (b) indicators and selected results targets; (c) disbursement arrangements; and (d) closing date. The full amount of the AF will be added to Component 1 to reach 215,000 drought-affected households with rapid ECTs while IDA resources will extend regular cash transfers by six months (up to June 30, 2024) to the existing 200,000 households and thereafter extend UCTs to a recertified cohort of 50,000 beneficiaries.

23. **The restructuring will help put in place the urgently needed building blocks for resilience at the system and individual levels to future crises.** These foundational building blocks include expanding the ongoing USR surveys to provide national coverage and changing the implementation modality for the Baxnaano urban expansion from the UN to direct implementation. The reallocation will finance the expansion of the social registry survey to two million households.

24. **Implementation arrangements.** Implementation arrangements remain largely unchanged by component, with WFP continuing to implement activities of UCT and ECT under Component 1, UNICEF continuing until the end of their output agreement under Component 2, and MoLSA implementing Components 3 and 4. The Recipient will by not later than three (3) months after the AF effectiveness date, update the output agreement with WFP in order to, inter alia, extend WFP's services for the provision of cash transfers under the AF. The reallocation marks an important shift toward direct government implementation for the USR survey and Baxnaano urban expansion. In order to facilitate this shift, the disbursement arrangements have been adjusted to lower the limit for direct payments. Based on the satisfactory track record in fiduciary and E&S risk management, this is an important step toward building key social protection systems and building the government's capacity to deliver services. It will be accompanied by robust World Bank technical assistance.

B. Components and Costs

25. **The proposed AF will exclusively finance Component 1.** Table 2 provides an overview of the total financing per component across the original project, two previous additional financings, and the proposed additional financing.



Table 2. Allocation by Component

IDA Commitment (US\$ million equivalent)								
Component	Implementation Arrangement	Original Project	First AF	Second AF	Proposed AF/Restructuring		Total	
					Third AF	Reallocation		
1	Nutrition-linked Unconditional Cash Transfers	WFP	53	108	138	100	-40	359
2	Delivery Systems and Institutional Capacity Building	UNICEF	6	—	—	—	—	6
3	Project Management, Monitoring and Evaluation, and Knowledge Management	MoLSA	6	2	—	—	+13	21
4	Household Registration in the USR	MoLSA	—	—	5	—	+27	32
Total			65	110	143	100	0	418

Note: This table reflects the amounts committed as per the US\$ to SDR exchange rate at the time of project approval. This does not reflect the exchange rate losses/gains between SDR and US\$ since approval of the respective facilities which amounts to a total loss of almost US\$18 million in November 2023.

26. **Component 1: Nutrition-linked Unconditional Cash Transfers (total US\$359 million equivalent, including US\$100 million equivalent under the proposed AF).** All proceeds from the AF will be exclusively utilized to support the Baxnaano program’s provision of cash transfers to the most crisis-affected, vulnerable households to protect them from the impact of the ongoing severe drought and 2023-2024 floods. The distribution of beneficiaries and associated benefits would be as follows:

- (a) About 215,000 drought-affected households, representing one third of acutely food insecure households, will receive six months of ECT (US\$60 per household monthly) to cope with the effects of the drought crisis; 145,000 households are already identified under the agreed selection criteria, and 70,000 additional drought-affected households will be identified using the agreed selection criteria incorporating agreed risk management protocols.
- (b) The current cohort of 200,000 poor households enrolled in the regular window of Baxnaano are entitled to three years of benefits. This represents 13 percent of the population living below the poverty line in Somalia. After expiry of the three-year period, a new cohort of beneficiaries selected by using the data being collected in the USR and PMT was envisaged. The restructuring will allow an additional period of six months of support to the current group of beneficiaries up to June 30, 2024, to counteract the impact of the ongoing overlapping crisis effect on these poorest and most vulnerable households. The additional



period of support will also allow the government to undertake an intensive communications/awareness campaign with communities on the upcoming changes and will allow time for completion of ongoing USR surveys for data collection in targeted districts.

- (c) Building on the communication campaign and recertification, support will be provided to a recertified cohort of 50,000 poorest households. Beneficiaries will be selected by using the data being collected in the USR and based on the newly introduced PMT.

27. The cash transfers will continue with the same implementation arrangements through WFP and the same geographical scope. However, risk management protocols will be strengthened in line with details provided in the risk section.

28. Component 2: Delivery Systems and Institutional Capacity Building (US\$6 million equivalent).

The originally allocated US\$6 million equivalent for the component remains unchanged. Over the course of implementation, the project experienced exchange rate losses between SDR and US\$. As this component is implemented under an output agreement with UNICEF, US\$354,233 equivalent will be reallocated from Component 1 to ensure the availability of US\$6 million under this component.

29. Component 3: Project Management, Monitoring and Evaluation, and Knowledge Management (US\$26 million equivalent⁷). The distribution of beneficiaries and associated benefits would be as follows:

- (a) The implementation modality for the Baxnaano urban expansion will be changed from UN to direct implementation. The urban expansion activity approved under the second AF will be moved from Component 1 to Component 3 to allow MoLSA to implement the intervention. The shift to government-led implementation is essential to build resilient and sustainable systems for future crisis response. This includes use of the newly established USR and improving links with available health and nutrition services and labor market opportunities. The health and nutrition links will be introduced in collaboration with the Improving Healthcare Services in Somalia Project (“Damal Caafimaad,” P172031) and the United Kingdom’s Foreign, Commonwealth and Development Office health program supporting the provision of similar services.
- (b) Additional resources are being allocated to allow the MoLSA PIU to continue providing implementation support for the additional implementation period of one year and offset exchange rate losses incurred under the with UN agencies under the project and absorbed under this component.

30. Component 4: Household Registration in the USR (US\$32 million equivalent).

The additional support will allow for a nationwide scale-up of data collection activities enabling the government to collect socioeconomic information for all accessible households in the country. This nationwide expansion is especially important due to the use of Baxnaano to respond through vertical and horizontal expansions to the continued impacts of climate change-induced shocks. It is estimated that an additional 1.8 million households will be surveyed. To further enhance reliability of the data and ensure quality of the collected data, an independent third-party firm will conduct quality assurance and monitoring of the data collection

⁷ Reallocation within the first AF - US\$3,437,571 equivalent from Component 1 to Component 3 as all obligations to WFP under the grant have been met with full disbursement under the MoLSA-WFP output agreement achieved. Reallocation within the second AF - US\$16,702,790 equivalent from Component 1 to Component 3.



process. Finally, MoLSA's capacity will be strengthened and further complemented by robust World Bank technical assistance on standard operating procedures for data collection, data protection, and privacy.

31. **No changes are made to the PDO, but targets for results indicators are modified.** The target for PDO indicator 'beneficiaries of social safety net programs' is revised to 2,520,000 (up from 2,250,000). The change incorporates the scale-up under this AF and incorporates adjustments made necessary due to a higher number of Baxnaano regular beneficiaries having required shock-responsive top-ups than initially planned.

32. **Extension of the closing date.** To implement the AF activities, particularly the USR surveys and Baxnaano urban expansion, the FGS has requested an extension of the closing date by one year from December 31, 2024, to December 31, 2025.

III. KEY RISKS

33. **The overall risk rating is Substantial.**

34. **Political and governance risks remain high,** due to Somalia's FCV status with a fluid political scenario and ongoing insecurity, compounded by a lack of government presence in parts of the country. Such risks had intensified over the past year with the protracted elections across the FMS and militant strikes on government and electoral targets during a period of political uncertainty. The complex relationship between the FGS, FMS, and Somaliland, the lack of government presence in parts of the country; a volatile security situation, and the ongoing anti-terror campaign can restrict access to project sites for cash delivery and/or monitoring of implementation. The election process has now concluded with a peaceful transfer of power, and transitional plans from international to national security arrangements are being put into action and are expected to bring relative improvement. Mitigating measures will include ongoing engagement with UN agencies, nongovernmental organizations, and private sector entities who already have good working relationships with the FGS, FMS, and communities through humanitarian interventions. The proposed AF also provides an operational platform for promoting the dialogue between the FGS and FMS around protecting poor and vulnerable citizens and building bridges for collaboration in service delivery.

35. **The macroeconomic risk is considered high as Somalia remains fiscally fragile, with a weak revenue base, continually battered by overlapping and persistent crises.** Somalia has withstood multiple shocks and challenges, including the global COVID-19 pandemic, prolonged and severe drought, desert locust infestation, significant security risks, all while preserving political stability following Presidential and Parliamentary elections. However, rapidly increasing basic food prices and rising fuel prices globally have further compounded inflationary impacts in the country with fertilizer and transport costs also moving upward. These inflationary impacts could result in the loss of purchasing power of cash transfers and further threaten food security of millions across the country. Baxnaano program will continue to rely on WFP and other partners to continuously assess market conditions to determine how the program can adjust to respond effectively. Further, the program costing will build in measures to absorb potential future increase of prices.



36. **Risks arising from sector strategies and policies remain substantial in the context of political uncertainties.** The FGS is committed to establishing an effective national social protection system, as elaborated in its high-level strategic and policy documents; however, changes in government leadership and capacity constraints at all levels can risk slowing down progress on the sectoral agenda. In this regard, the World Bank ASA - Somalia Social Protection Support: Building Blocks Towards a National Social Protection System completed in September 2023 - has been critical in ensuring that the FGS receives just-in-time advisory support in the formulation of broader strategy and policy, as well as on operational matters that affect project performance and outcomes. A new programmatic ASA: Building an Adaptive National Social Protection System is being initiated to continue crucial provision of just-in-time advisory support. Under the new ASA, the World Bank will provide technical assistance for policy reform leading to long-term institutional sustainability and sustained financing for social protection. The USR is a key element in ensuring sustainability of interventions by improving coordination, crowding in complementary funding, and allowing rapid adaptive response to shocks.

37. **Risks arising from institutional capacity for implementation and sustainability are increased to high as changes in leadership, increased perception of fraud risks, and limited availability of financing resources can affect the implementation momentum achieved to date.** At the policy level, the National Social Protection Steering Committee (NSPSC) and Social Protection Working Group (SPWG) chaired by the Office of the Prime Minister and MoLSA, respectively, are expected to smoothen intergovernmental coordination and coordination with development partners. The SPWG has been convening at regular intervals; however, the NSPSC has not been able to convene since its establishment in 2020. MoLSA has proposed the introduction of a new bill in the Parliament to s. If the bill is endorsed by the Parliament, it will lead to a significant reduction in risks. On the operational level, there are multiple added layers to monitor, including possible risks of leakage and other types of fraud. To mitigate these risks, the project will support several measures. First, the project will support the undertaking of a de-duplication exercise within the implementing agencies' master registry to identify any overlap of beneficiaries across funding sources from different humanitarian and development partners. This will be achieved using secure biometrically enhanced beneficiary identification and transfer of electronic beneficiary lists to the mobile network provider through secure data exchange protocols. Second, post-distribution monitoring conducted by the implementing agency will be strengthened with strong and regular field monitoring by WFP and MoLSA staff and site visits by the TPM agency. The TPM arrangement specifically has been significantly improved and now carries operational reviews, spot checks, and beneficiary feedback surveys. TPM findings continue to provide MoLSA with an overview of the implementation challenges and inform course adjustments. Third, supervision, communication, and citizen engagement tasks will be strengthened by adding an external third-party citizen engagement element to augment existing instruments. Fourth, existing GRMs will be strengthened to ensure that potential targeting and benefit reception challenges are detected and addressed. Finally, further layers will be added to the M&E system through the use of Geo-enabling for Monitoring and Supervision innovations and integrating implementation support review requirements in the World Bank's portfolio-wide TPM agent.

38. **The fiduciary risk for the project remains high.** This is largely attributable to weak and evolving rudimentary funds flow and banking systems particularly at the implementation level, characterized by potential money laundering and terrorist financing risks; inadequate public financial management and cash transfer management capacities at the implementing agency and community levels to spend and account for the funds correctly and timely; and limited access to project sites at the local level due to security constraints. Risk mitigation measures include strengthening beneficiary identification and



enrolment processes using WFP’s SCOPE platform; strengthening existing framework agreements with payment service providers to facilitate payment delivery, in particular, measures to minimize liquidity challenges; complementing TPM arrangements with field-based monitors; and agreeing with MoLSA and WFP to ensure utilization of banking institutions supervised by recognized regimes. These risk mitigation measures will be further strengthened with the aim of strengthening country institutional capacities, systems, policies, and procedures, with the support of dedicated and qualified resources for procurement and FM at MoLSA.

39. **Other risks in Somalia include conflict and insecurity risks, which continue to be substantial across the country and high in parts of the country.** The security situation limits access to project locations for World Bank implementation support and poses risks for frontline implementers, both government and UN agencies, as well as beneficiaries. In continuation of the operating modality established under the parent project, the proposed AF will only operate in locations where the security situation is not expected to create risks to successfully delivering cash assistance to poor and vulnerable households—a risk that is largely mitigated now using digital transfers. In addition, WFP’s role in service delivery provides additional insights to MoLSA via the UN system for identifying and managing security threats to its operations.

IV. APPRAISAL SUMMARY

A. Economic Analysis

40. **Somalia has a population of about 15 million, of which roughly 60 percent are nomadic and seminomadic pastoralists, and 60 percent live in rural areas.** About 70 percent of the population live below the poverty line (estimated based on US\$1.90 a day in 2011 purchasing power parity terms),⁸ and this figure is expected to have increased in recent years following the compounding shocks of floods, the COVID-19 pandemic, the desert locust plague, and the recent drought, all of which have adversely affected economic growth and household consumption.

41. **The enhanced and expanded cash transfers under the proposed AF and restructuring will help mitigate the impact of the multiple crises affecting Somalia, as expected from similar policy responses undertaken in the region.** Reliance on cash transfers as effective safety nets in times of crisis has increased significantly in recent years, especially in response to COVID-19, in all regions of the world. Social assistance protects investments in human capital and productive assets. Existing literature also suggests that cash transfers help promote household food security in a post-disaster context through dietary diversity⁹ and reduce negative coping strategies such as self-imposed dietary restrictions, child labor and

⁸ World Bank. 2019. *Somali Poverty and Vulnerability Assessment - Findings for Wave 2 of the Somali High-Frequency Survey*.

⁹ Bailey, S., and K. Hedlund. 2012. *The Impact of Cash Transfers on Nutrition in Emergency and Transitional Settings: A Review of Evidence*. Overseas Development Institute.



dangerous work, to meet needs¹⁰ and that households receiving cash transfers experience less hunger compared to households that did not receive the transfer.¹¹

42. **The proposed AF will protect the human capital gains of the parent project and help mitigate extreme poverty and hunger among the targeted beneficiaries and contribute to immediate food security and consumption needs.** As the current drought is pushing more people into extreme poverty and vulnerability, the continued support to Baxnaano regular beneficiaries and the increase to further ECT beneficiaries is critical. Baxnaano currently covers 9 percent of the total population, and the horizontal and vertical expansion of cash transfers will enhance coverage to 12 percent of the country's population to meet basic needs during the ongoing drought for at least six months. For the 193,000 households receiving shock-responsive cash transfers, the total transfer amount of US\$60 monthly covers about 59 percent of the cost of the minimum expenditure basket for urban/main markets for the month of February 2022.¹²

43. **A detailed cost-benefit analysis is not possible at this time due to limited data availability in Somalia.** An impact evaluation will be designed confirming the availability of resources. Given the overwhelming availability of global evidence, it is expected that the economic impact of the interventions will be significant.

B. Technical

44. **The parent project addresses human capital needs from a strategic developmental perspective and an effective shock-responsive delivery for building resilience and addressing food insecurity.** The Baxnaano UCT and ECT programs, financed by the parent project, would continue functioning in the same way under the proposed third AF. The cash transfers provided will enable households to protect and invest in their children's health and education and thereby gradually build human capital.

45. **The proposed scale-up under this AF comprise a comprehensive set of interventions to strengthen resilience to current and future shocks.** Extensive evidence shows that cash transfers support households to cope with climate-related shocks.¹³ More recent evidence also shows that complementary measures significantly contribute to building household's resilience to future shocks, thereby producing a more lasting and sustainable effect in the long run in highly climate impact-prone contexts.¹⁴ This growing body of evidence clearly shows that high human capital improves adaptation and mitigation to climate change. This suggests that adaptation and mitigation that account and compensate for impacts on the

¹⁰ Lehmann, C., and D. Masterson. 2014. Emergency Economies: The Impact of Cash Assistance in Lebanon; An Impact Evaluation of the 2013–2014 Winter Cash Assistance Program for Syrian Refugees in Lebanon. Beirut: International Rescue Committee.

¹¹ Banerjee, A., M. Faye, A. Krueger, P. Niehaus, and T. Suri. 2020. Effects of a Universal Basic Income during the Pandemic.

¹² <https://www.fsnau.org/sectors/markets>.

¹³ Asfaw and Davis. 2018. *The Impact of Cash Transfer Programs in Building Resilience: Insight from African Countries*; Lawlor et al. 2019. *Cash Transfers Enable Households to Cope with Agricultural Production and Process Shocks*; Baptista et al. 2023. *Economic Effects of Climate Change and Food Insecurity in Niger*.

¹⁴ Rigolini. 2021. *Social Protection and Labor: A Key Enabler for Climate Change Adaptation and Mitigation*.



most vulnerable segments of the economy and population can create a virtuous cycle that leads to positive outcomes for both climatic action and human capital.¹⁵

46. **MoLSA will amend the existing contract with WFP to include Component 1 funds from the proposed AF and exclude the Baxnaano urban expansion.** The current cohort of 200,000 households is already included in the project and no incremental logistical actions will be required to continue providing cash transfers. The population segment eligible for temporary ECT is either already pre-identified having been supported under the SNLRP Phase I or will be identified using the established targeting process. All cash transfers will continue to be made via digital transfers, for which WFP has established partnerships with payment service providers. For the Baxnaano urban expansion, MoLSA will engage payment service providers directly rather than through the UN. Payments under Component 1 are expected to continue on a quarterly basis to facilitate payroll preparation, disbursement, and reconciliation as well as to provide income predictability to households which would facilitate financial decision-making.

47. **Expansion of the household registration in the USR will support a strong foundation upon which a comprehensive national database of the poor and vulnerable would be built.** Registration of an estimated additional 1.8 million poor and vulnerable households in the USR will mean that some additional 10.8 million individuals will be included in the national database, equivalent to approximately 86 percent of the population in Somalia. The data would enable rapid mobilization of assistance in response to future shocks.

48. **MoLSA will lead coordination efforts via the Government-led Donor Working Group (GDWG).** Given its leadership role, the government, through GDWG, will continue to play a key role in the coordination of the social protection sector. The World Bank will remain engaged as the co-chair of the GDWG which serves as a key platform for coordination across development and humanitarian agencies. The USR along with WFP's SCOPE will also help coordinate targeting activities between Baxnaano and WFP-implemented humanitarian interventions.

C. Financial Management

49. **No changes in the FM arrangements are required.** The PIU is responsible for managing the financial flows of cash transfers to all vendors and eligible beneficiaries. MoLSA will continue to manage all agreed implementation, procurement, and operational requirements. The project has a record of timely compliance with submission of acceptable unaudited interim financial reports; however, delays in the audit report have been noted. There are no overdue audit reports. Given the use of country systems in Somalia, the proposed AF will adopt this approach in various FM aspects as is the case for the parent project. This will cover budgeting, accounting and reporting, and oversight arrangements with the Office of the Auditor General. The External Assistance Fiduciary Section (EAFS) units within the Offices of the Accountant General of the FGS will remain responsible for the overall FM, with the PIU continuing to carry out day-to-day functions under their guidance.

50. **The FM risks identified under the parent project are also expected to apply to the AF.** Accordingly, the risk mitigation measures implemented under the parent project will also be applied under the AF with necessary adjustments to respond to any changes in scope and the evolving operating

¹⁵ Caruso, Marcos, and Noy. 2022. *Climate Changes Affect Human Capital*.



context. For the Baxnaano urban expansion, MoLSA will contract third-party payment service providers to ensure effective delivery of the cash transfer program and accountability for the funds disbursed. A TPM firm will also be engaged to provide additional fiduciary oversight and confirmation of receipt of cash transfers by the intended beneficiaries. The World Bank will provide technical assistance for the development of the terms of reference (ToR) for the payment service provider to ensure that the needed functionality on automatic payment reconciliation and links to the MIS are included based on lessons learned from other similar activities. The effectiveness of the EAFS units, alongside other relevant functional units, will be continuously monitored while capacity-strengthening opportunities will be identified and supported to ensure effective FM operations. The FM arrangements were rated Moderately Satisfactory in the last ISR (August 2023).

D. Procurement

51. **No changes in procurement management arrangements are required.** The existing implementation arrangements of the parent project will be maintained and strengthened under the proposed AF. Procurement for the project will be carried out in accordance with the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011 and as of July 1, 2016, and the provisions stipulated in the Financing Agreement. The Project Procurement Strategy for Development developed by the Recipient remains unchanged. The procurement arrangements of the project would remain unchanged; the procurement outlays of the AF and restructuring are eight consultancy firms’ contracts (including an amendment to an existing UN contract) and some goods procurements based on shopping and National Competitive Bidding and hiring of individual consultants. The procurement performance, as rated in the last ISR (August 2023), is Satisfactory. Keeping in view the current implementation arrangements, capacity, and procurement profile to be financed under the project, the risk is Substantial.

E. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

F. Environmental and Social

52. **Activities under the proposed AF are expected to have moderate E&S risks and impacts given the magnitude, geographical spread, and quantum of anticipated risks and implementation history.** Key social risks include: (a) selection bias leading to potential exclusion of the target population and particularly poor, vulnerable, and minority women and youth; (b) sexual exploitation and abuse/sexual harassment (SEA/SH) arising from gender norms and practices; (c) fragility and social conflicts that might create and/or exacerbate security risks and impacts on community health and safety; (d) systemic challenges arising from MoLSA’s developing capacity to identify and mitigate risks and impacts as they occur; and (e) risks of data privacy breaches resulting from compromised data protection and privacy



protocols. Key environmental risks include risks of occupational health and safety for project workers resulting mainly from fragility and prevalence of security incidences and potential gaps in the proper handling and management of medical waste. Collectively, and given the strong track record and robust systems for effective implementation to date, risks and impacts are considered moderate. However, the residual contextual risks of operating in a conflict zone with endemic fragility and protracted conflict and insecurity mean complex dynamics where community consultations, oversight, and variable capacity to redress harm may lead to substantial risks and impacts.

53. **As activities and implementation arrangements under the proposed AF will remain largely consistent with the parent project, measures already in place to manage E&S risks and impacts will continue to apply with some modifications to adapt to the new activities.** These include: (a) a robust USR-based selection criteria hardwired into the project design; (b) a detailed security risk assessment and management to enable the profiling and understanding of security risks thereby enabling project interventions in areas of relative security and safety; (c) a meticulous application of the newly enacted data privacy protocols; (d) adoption of the already established medical waste management protocols prepared under the Improving Healthcare Services in Somalia Project (“Damal Caafimaad”); and (e) strengthened monitoring and supervision through the inclusion of E&S considerations in the ToR for TPM agents. The Environmental and Social Review Summary has been prepared to detail E&S risk mitigation measures to be applied by the proposed AF. Community consultations have been conducted in new districts where new households will be targeted for Baxnaano participation. The Environmental and Social Commitment Plan and the Stakeholder Engagement Plan have been updated and disclosed on October 31, 2023 on the World Bank external website and on November 4, 2023 on the Ministry of Finance website. The Environmental and Social Management Framework (ESMF), incorporating a new Electronic Waste Management Plan and an updated SEA/SH Action Plan, Labor Management Procedures (LMP), and a Security Risk Assessment and Management Framework have been updated. The adoption and disclosure of respective E&S instruments in form and substance satisfactory to IDA, and recruitment of an environmental specialist to the PIU are effectiveness conditions of the AF. To strengthen the effective management of E&S risks, the project will evaluate the possibility of acquiring technical cross-support by an SEA/SH expert working in one of the existing PIUs.

54. **SEA and SH continue to be a threat to women and girls throughout Somalia as a significant contextual risk that may be exacerbated by project activities in the context of the ongoing drought and widespread needs.** As families lose their livelihoods and suffer hunger and food insecurity, the vulnerability of women and girls to the risks of SEA increases as they seek to access project services. In addition, project workers, in particular female workers, may be at risk of SH by colleagues or supervisors. Mitigation measures that will continue to apply to address sexual and gender-based violence (SGBV)/SEA/SH risks include integration of codes of conduct with SGBV/SEA/SH-related protections; community consultations and sensitization activities to raise awareness of risks; mapping of and collaboration with potential service providers in the project-affected areas; development of an SGBV Action Plan; and strengthening of the GRM with procedures and channels to enable safe, confidential, and ethical reporting of SGBV/SEA/SH incidents.



G. Climate Change

55. **The proposed AF has been screened for climate change and disaster risks, and the potential risks to the project outcomes have been found to be moderate.** Somalia is one of the most climate-sensitive countries. It is just coming out of an extreme drought, but the current El Niño conditions are likely to bring more flooding, and a wider range of climate risks is anticipated. The increasingly intense cycle of drought and flooding experienced by Somalia is sadly familiar. The World Bank's recent Somalia Climate Risk Review (published in August 2023) highlighted the impacts of recurrent extreme weather events and their interaction with broader patterns of social fragility. It also documented a wider range of current and future climate risks that affect health, livelihoods, and development potentials and the need for climate adaptation to decouple acute climate impacts from drivers of social fragility and climate-proof future development. As discussed above, Somalia is highly prone to frequent and devastating climatic shocks, such as floods and droughts, as well as biological shocks such as locust infestations, which themselves are driven by the effects of climate change. These shocks disproportionately affect poor and vulnerable households that have limited capacity to respond. The parent project provided predictable cash transfers to address the resulting chronic food insecurity. The regular transfers for Baxnaano beneficiaries, as well as ECT for non-Baxnaano households will enable recipients to meet urgent food consumption needs, mitigate climate-induced risks, and avoid harmful negative coping strategies with environmental impacts such as cutting down trees to make charcoal for sale, among others. Additionally, the project will continue efforts to address demand-side challenges of malnutrition among pregnant mothers and lactating mothers with children below the age of 23 months, by building direct links between Baxnaano and nutrition service providers.

56. **The establishment of a national shock-responsive social protection system with the project's support will address the institutional side of resilience building to climatic shocks.** The use of the distress index for the geographical selection of target locations incorporates climatic considerations as the exposure to shocks and severity of food insecurity correlates to the localized impacts of climatic events. Household data to be collected for household targeting includes data on climate-dependent livelihoods to help assess vulnerability. Populating household data in the forthcoming social registry will support rapid identification and categorization of beneficiaries for outreach in the event of future crises. The gradual use of the USR for the registration and selection of the poorest and most vulnerable households for safety net expansion will operationalize the system and pave the way for its future application across social sectors. This would enable improved beneficiary identification for other interventions, such as nutrition, social, and economic inclusion services, further contributing to improved resilience against climatic and other shocks.

57. **The project promotes climate adaptation by strengthening the national delivery system and providing economic shock-responsive cash transfers to poor and vulnerable beneficiaries.** It helps build resilience and weather the multiple concurrent shocks affecting Somalia (including climate shocks) and is therefore contributing significantly to climate change adaptation (see summary of contributions by component in Table 3).



Table 3. Mitigation and Adaptation Measures by Component

Component 1: Nutrition-linked Unconditional Cash Transfers	All proceeds of this AF will finance a scale-up to support the most poor and vulnerable households affected by the continuing drought crisis to protect their food security. The component directly enhances household resilience and reduces adverse impacts of shocks. In addition, the further six months support to current Baxnaano beneficiaries will protect gains already made in strengthening their resilience.
Component 2: Delivery Systems and Institutional Capacity Building	This component will continue as previously planned and will support important systems and institutional capacity to better manage beneficiary information. It will indirectly support climate adaptation by improving MoLSA’s capacity to manage beneficiaries affected by different climate-induced shocks.
Component 3: Project Management, Monitoring and Evaluation, and Knowledge Management	Component 3 will provide project management and operational support, including capacity building of project implementers and other stakeholders at the national and subnational levels in E&S risk management and climate change. It will also support the delivery of climate-sensitive outcomes of Components 1, 2, and 3, including by strengthening the M&E system that will help track the implementation of climate measures outlined in the other components.
Component 4: Household Registration in the USR	Component 4 will support the nationwide expansion of the USR which is linked to the provision of benefits and services to the households vulnerable to climatic shocks. The USR is an essential tool to improve coordination between different development and humanitarian partners to improve targeting and follow-up to households most affected by climate-related shocks. Its expansion is expected to significantly improve efficiency of targeted shock-responsive support.

58. **The project is fully aligned with the mitigation and adaptation aspects of the Paris Alignment Assessment.** The project is aligned with Somalia’s commitment in its Nationally Determined Contribution (filed in July 2021) and the 2013 National Adaptation Programme of Action.

- (a) **Assessment and reduction of adaptation risks.** The main climate and disaster risks are droughts, wildfires, flooding, and extreme heat events. These climate-related risks are considered unlikely to have a material impact on the achievement of the PDO. None of them is considered to have a significant risk that affects the effective implementation of the project activities: urban and rural shock-responsive cash transfers and delivery systems. Thus, the project can be considered aligned with adaptation.
- (b) **Assessment and reduction of mitigation risks.** The project activities are primarily meant to alleviate poverty and inequality by enhancing the ability of individuals and households to withstand shocks and improve their livelihoods. The activities undertaken to achieve these objectives have negligible greenhouse gas (GHG) emissions and do not have a negative impact on Somalia’s low-GHG-emission development pathways. Hence, the project can be considered aligned on mitigation.

H. Gender

59. **Women and girls in Somalia have been disproportionately affected by the multiple crises and food insecurity as they face specific challenges to social, economic, and decision-making access.** Traditional and religious norms limit women’s roles outside the domestic sphere, thereby restricting participation in political and public decision-making forums. Only 43 percent of women are participating



in the labor force (compared to 67 percent of men), making for one of the lowest rates across Sub-Saharan Africa. Despite increasing engagement in economic activities, women's involvement in wage labor remains even lower (33–40 percent) and mainly concentrated in the agriculture and informal sectors.

60. **Further, to have any significant impact on improving women's lives, it is essential to help them overcome the barriers they face in accessing health, especially as it relates to childbirth.** An overwhelming 89 percent of the mothers did not receive any postnatal check-up in the first two days after childbirth and only 31 percent of women ages 15–49 who had a live birth received care from skilled personnel during their last delivery.¹⁶ To start improving women's access to essential health care services, the nutrition-linked regular cash transfers support pregnant and lactating mothers with young children to enhance health, nutrition, and child cognitive development outcomes.

61. **The proposed AF, via the Baxnaano program, will continue to tackle these gender gaps and SGBV/SEA/SH risks in several ways.** The program will continue to prioritize women as the direct recipient of the cash transfers, thereby improving their access to predictable income, closing the gap on income inequality, and enhancing women's decision-making power in the household and community. Digital transfers would improve financial inclusion by connecting women to the broader mobile money platform, which can be used for other financial activities. As in the parent project, the proposed AF will ensure women receive their benefits through secured digital transfer arrangements including the provision of subscriber identification module (SIM) cards in their names. Improvements in health, nutrition, and education of mothers and children as well as participating women's financial literacy are expected as Baxnaano will continue to link households to broader social services to support human capital accumulation and economic empowerment. In the medium to longer term, it is envisioned that sustained cash transfer support will enhance the economic inclusion of women and the overall gender equity.

62. **The proposed AF will provide continuity for initiatives under the parent project that help mitigate the risks of SGBV/SEA/SH incidents and support survivors.** Cash assistance to poor and vulnerable households enables women and girls to avoid moving to urban areas and IDP camps during shocks, which is a common coping strategy during emergencies, thereby minimizing their exposure to SGBV/SEA/SH. However, cash transfers may also increase exposure to SGBV/SEA/SH in the short term, and mitigation measures such as local-level facilitation by cooperating partners, which include women staff, will be essential to ensure effective outreach to female beneficiaries. The GRM and TPM agency also include female staff to ensure female beneficiaries can voice potential concerns or complaints in a safe environment. Progress in closing gender gaps will be measured through gender-specific and gender-disaggregated data in the project's Results Framework.

I. Citizen Engagement

63. **All aspects of citizen engagement established under the parent project will apply as the proposed AF will contribute to the Baxnaano scale-up for shock response.** The existing arrangements governing Baxnaano implementation and the WFP contract for service delivery will continue to be in place. Citizen engagement channels include, among others, the local CSC, a uniform communications strategy, the GRM, and TPM arrangements.

¹⁶ Directorate of National Statistics, Federal Government of Somalia. The Somali Health and Demographic Survey 2020.



64. **The CSCs have had a positive role in presenting community priorities, and the inclusion of women has helped women beneficiaries in coming forward with their concerns.** Further work will be undertaken to improve capacity, particularly in raising awareness on emerging issues and the use of grievance management avenues. Program-related communication involves a multipronged strategy comprising radio broadcasts, bulk mobile messaging, and infographic posters to deliver essential content such as information on beneficiary rights and entitlements and means to reach the Common Feedback Mechanism (CFM) and WFP’s cooperating partners. The GRM has proven effective with multiple channels, comprising the CFM that operates at the local level and the MoLSA-administered national call center. Nearly 2,858 complaints were submitted via the GRM from July 2022 to June 2023, of which 94 percent were addressed and closed within one month of receipt.

65. **Finally, TPM firms conduct operations reviews, spot checks, and beneficiary feedback surveys.** The firms will solicit regular beneficiary feedback to provide regular insights on issues such as the types of expenditures made after receipt of cash transfers, compliance with standard operating procedures, identification of operational risks during implementation, timeliness and satisfaction with service delivery and payment delivery, and the quality of services provided by WFP’s cooperating partners, among others. These data will further enhance the project’s M&E capacity and allow for informed decision-making by Baxnaano implementers.

V. WORLD BANK GRIEVANCE REDRESS

66. **Grievance redress.** Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the Bank’s Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank’s independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank’s Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank’s Accountability Mechanism, please visit <https://accountability.worldbank.org>.



VI SUMMARY TABLE OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Loan Closing Date(s)	✓	
Reallocation between Disbursement Categories	✓	
Disbursements Arrangements	✓	
Implementing Agency		✓
Project's Development Objectives		✓
Cancellations Proposed		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓

VII DETAILED CHANGE(S)

COMPONENTS

Current Component Name	Current Cost (US\$, millions)	Action	Proposed Component Name	Proposed Cost (US\$, millions)
Nutrition-linked Unconditional Cash Transfers	299.00	Revised	Nutrition-linked Unconditional Cash Transfers	359.00
Delivery Systems and Institutional Capacity Building	6.00	No Change	Delivery Systems and Institutional Capacity Building	6.00
Project Management, Monitoring and Evaluation, and Knowledge Management	8.00	Revised	Project Management, Monitoring and Evaluation, and Knowledge	21.00



			Management	
Household Registration in the Unified Social Registry	5.00	Revised	Household Registration in the Unified Social Registry	32.00
TOTAL	318.00			418.00

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Current Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-D5100	Effective	31-Aug-2022	31-Dec-2024	31-Dec-2025	30-Apr-2026
IDA-D8560	Effective	31-Aug-2023	31-Dec-2024	31-Dec-2025	30-Apr-2026
IDA-E0770	Effective	31-Dec-2024	31-Dec-2024	31-Dec-2025	30-Apr-2026

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed

IDA-D5100-001 | Currency: XDR

iLap Category Sequence No: 1		Current Expenditure Category: Cash Transfer prt A.1			
34,070,400.00	34,415,792.44	34,415,792.44	100.00	100.00	
iLap Category Sequence No: 2		Current Expenditure Category: Gds, NCS, CS prt A.2			
4,089,600.00	3,479,083.47	3,479,083.47	100.00	100.00	
iLap Category Sequence No: 3		Current Expenditure Category: Gds, NCS, CS prt B			
4,320,000.00	4,589,247.63	4,589,247.63	100.00	100.00	
iLap Category Sequence No: 4		Current Expenditure Category: Gds NCS CS OC TR prt C			
4,320,000.00	1,661,557.11	4,315,876.46	100.00	100.00	



Total	46,800,000.00	44,145,680.65	46,800,000.00		
IDA-D8560-001 Currency: XDR					
iLap Category Sequence No: 1		Current Expenditure Category: Cash Transfer prt A.1			
	66,240,910.00	67,084,795.87	67,084,795.87	100.00	100.00
iLap Category Sequence No: 2		Current Expenditure Category: Gds, Wks, NCS, CS prt A.2			
	9,064,550.00	4,815,190.28	4,815,190.28	100.00	100.00
iLap Category Sequence No: 3		Current Expenditure Category: Gds, NCS, CS, OC, Tr prt C			
	1,394,540.00	1,386,463.52	4,800,013.85	100.00	100.00
Total	76,700,000.00	95,708,963.29	76,700,000.00		
IDA-E0770-001 Currency: XDR					
iLap Category Sequence No: 1		Current Expenditure Category: Csh trf ptA.1; Emerg csh trf ptA.3			
	90,030,000.00	0.00	63,570,847.00	100.00	100.00
iLap Category Sequence No: 2		Current Expenditure Category: Gds, Wks, N/CS pt A.2 pt D			
	16,370,000.00	0.00	8,668,752.00	100.00	100.00
iLap Category Sequence No:		Current Expenditure Category: Gds, NCS, CS, OC, Tr prt C			
	0.00	0.00	34,160,401.00		100.00
Total	106,400,000.00	0.00	106,400,000.00		
DISBURSEMENT ARRANGEMENTS					
Change in Disbursement Arrangements					
Yes					



Expected Disbursements (in US\$)

Fiscal Year	Annual	Cumulative
2020	22,168,446.00	22,168,446.00
2021	29,064,582.00	51,233,028.00
2022	36,146,636.94	87,379,664.94
2023	72,092,531.23	159,472,196.17
2024	197,008,102.45	356,480,298.62
2025	44,773,843.58	401,254,142.20
2026	16,745,857.80	418,000,000.00

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Latest ISR Rating	Current Rating
Political and Governance	● High	● High
Macroeconomic	● High	● High
Sector Strategies and Policies	● Substantial	● Substantial
Technical Design of Project or Program	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● Substantial	● High
Fiduciary	● High	● High
Environment and Social	● Substantial	● Moderate
Stakeholders	● Moderate	● Moderate
Other		● Substantial
Overall	● Substantial	● Substantial

LEGAL COVENANTS – Somalia Shock Responsive Safety Net for Human Capital Project Third Additional Financing (P181469)

Sections and Description

Without limitation to Section I.A above, the Recipient shall, by not later than three (3) months after the Effective Date of this Agreement, update the Output Agreement with WFP in a manner and substance satisfactory to the Association, in order to, inter alia, extend WFP’s services for the provision of Cash Transfers under the Cash



Transfer Program (“CTP”) to CTP Beneficiaries under this additional financing.

In furtherance of Section I.A above, the Recipient shall, within 3 months of the Effective Date: (a) amend the terms of reference of, and contract with, the TPM Consultant to extend the completion date; or (b) hire a new third-party monitoring consulting firm; and thereafter maintain such consultancy throughout the remaining period of implementation of the Project, all, in a manner and substance satisfactory to the Association, in order to continue monitoring the performance of the CTP until the new Closing Date.

Conditions

Type	Financing source	Description
Effectiveness	IBRD/IDA	The Recipient has recruited to the Project Implementation Unit, an environmental specialist, with qualifications, experience, and under terms of reference satisfactory to the Association
Effectiveness	IBRD/IDA	The Recipient has prepared, disclosed, consulted upon, and adopted the Environmental and Social Management Framework, Labor Management Procedures, SEA/SH Prevention and Response Action Plan, and Electronic Waste Management Plan, in form and substance satisfactory to the Association
Effectiveness	IBRD/IDA	The Recipient has prepared and adopted the Security Risk Assessment Management Framework, in form and substance satisfactory to the Association

VIII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Somalia

Somalia Shock Responsive Safety Net for Human Capital Project Third Additional Financing

Project Development Objective(s)

The project development objective is to provide cash transfers to targeted poor and vulnerable households and establish the key building blocks of a national shock-responsive safety net system.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	End Target
Provide cash transfers to targeted poor and vulnerable households (Action: This Objective has been Revised)			
Beneficiaries of social safety net programs (CRI, Number)		0.00	2,520,000.00
<i>Action: This indicator has been Revised</i>	<i>Rationale: The change incorporates the scale-up of ECTs under this AF and incorporates adjustments made necessary due to a higher number of Baxnaano regular beneficiaries having required shock-responsive top-ups than initially planned.</i>		
Beneficiaries of social safety net programs - Female (CRI, Number)		0.00	1,260,000.00
<i>Action: This indicator has been Revised</i>	<i>Rationale: The change incorporates the scale-up of ECTs under this AF and incorporates adjustments made necessary due to a higher number of Baxnaano regular beneficiaries having required shock-responsive top-ups than initially planned.</i>		
Establish the key building blocks of a national shock-responsive safety net system (Action: This Objective has been Revised)			



Indicator Name	PBC	Baseline	End Target
National cash transfer program targeting methodology developed and endorsed by FGS (Yes/No)		No	Yes
Operational design of the national Social Registry developed and endorsed by FGS (Yes/No)		No	Yes

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	End Target
Component 1: Nutrition-linked Unconditional Cash Transfers			
Households receiving cash transfers (Number)		0.00	420,000.00
<i>Action: This indicator has been Revised</i>		<i>Rationale: The change incorporates the scale-up of ECTs under this AF and incorporates adjustments made necessary due to a higher number of Baxnaano regular beneficiaries having required shock-.responsive top-ups than initially planned.</i>	
Households receiving shock-responsive benefits to cope with an adverse climatic event (Number)		0.00	408,000.00
<i>Action: This indicator has been Revised</i>		<i>Rationale: The change incorporates the scale-up of ECTs under this AF.</i>	
Women directly receiving cash transfers (Percentage)		0.00	85.00
Women who benefited from the nutrition services (Percentage)		0.00	25.00
Children under 5 years of age who benefitted from the nutrition program (Percentage)		0.00	25.00



Indicator Name	PBC	Baseline	End Target
Beneficiaries receiving cash transfer payments within the timeframe specified in the Operations Manual (Percentage)		0.00	90.00
Registered grievances that are addressed within the timeframe specified in the Operations Manual (Percentage)		0.00	85.00
Component 2: Delivery Systems and Institutional Capacity Building			
Social protection policy framework and medium-term strategic roadmap developed and endorsed (Yes/No)		No	Yes
Government-led Social Protection Working Group established and functional (Yes/No)		No	Yes
Cash Transfer payment delivery system design prepared and endorsed (Yes/No)		No	Yes
National Cash Transfer MIS system developed (Yes/No)		No	Yes
National Cash Transfer GRM developed and endorsed (Yes/No)		No	Yes
Component 3: Project Management, Monitoring and Evaluation, and Knowledge Management			
Design of a pilot intervention for youth-targeted productive safety net is prepared (Yes/No)		No	Yes
Household Registration in the Unified Social Registry			
Households registered in the USR (Number)		0.00	2,000,000.00
Action: This indicator has been Revised	Rationale: <i>The change incorporates the nationwide expansion of the USR survey.</i>		

**Monitoring & Evaluation Plan: PDO Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Beneficiaries of social safety net programs		Quarterly	WFP SCOPE	MIS reports	MoLSA and WFP
Beneficiaries of social safety net programs - Female		Quarterly	WFP SCOPE	MIS generated reports	MoLSA and WFP
National cash transfer program targeting methodology developed and endorsed by FGS		Once	Official letter from MoLSA confirming endorsement	MoLSA PIU informs the World Bank	MoLSA
Operational design of the national Social Registry developed and endorsed by FGS	Operational design of a national social registry to include a database of poor households that can be targeted for safety net and other assistance in times of climate and other emergencies.	Once	Official letter from MoLSA confirming endorsement	MoLSA PIU informs the World Bank	MoLSA

Monitoring & Evaluation Plan: Intermediate Results Indicators

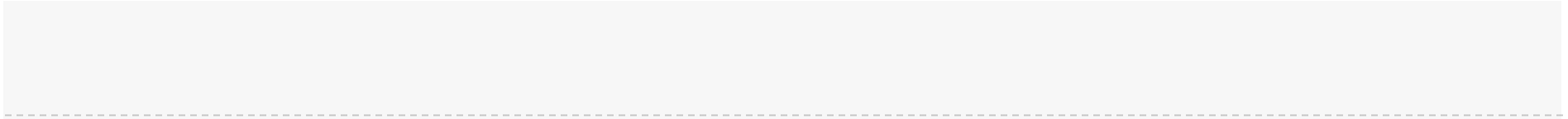
Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Households receiving cash transfers		Quarterly	WFP SCOPE	Program specific MIS	MoLSA and WFP
Households receiving shock-responsive benefits to cope with an adverse climatic event	Baxnaano households receiving shock-responsive benefits (i.e. vertical	Quarterly	WFP SCOPE	Program specific MIS	MoLSA and WFP



	program expansion) and non-Baxnaano households receiving ECT (i.e. horizontal program expansion) specifically in response to the prevailing drought crisis.				
Women directly receiving cash transfers	Baxnaano households with mothers and/or female caregivers as mobile money account holders and thus direct cash recipients, and non-Baxnaano households where a female member is the direct recipient.	Quarterly	WFP SCOPE	Program specific MIS	MoLSA and WFP
Women who benefited from the nutrition services		Quarterly	WFP SCOPE	Program specific MIS	MoLSA and WFP
Children under 5 years of age who benefitted from the nutrition program		Quarterly	WFP SCOPE	Program specific MIS	MoLSA and World Bank
Beneficiaries receiving cash transfer payments within the timeframe specified in the Operations Manual		Quarterly	TPM	Program specific MIS; TPM quarterly data collection	MoLSA, WFP and TPM
Registered grievances that are addressed within the timeframe specified in the Operations Manual	Indicative of performance of citizen engagement.	Quarterly	TPM	Program specific MIS, TPM quarterly data collection	MoLSA, WFP & TPM
Social protection policy framework and medium-term strategic roadmap developed and endorsed		Once	MoLSA Progress Reports	MoLSA PIU informs the World Bank	MoLSA



Government-led Social Protection Working Group established and functional		Once	MoLSA Progress Reports	MoLSA PIU informs the World Bank	MoLSA
Cash Transfer payment delivery system design prepared and endorsed		Once	MoLSA Progress Reports; Supervision Missions	MoLSA PIU informs the World Bank	MoLSA
National Cash Transfer MIS system developed		Once	MoLSA Progress Reports; Supervision Missions	MoLSA PIU informs the World Bank	MoLSA
National Cash Transfer GRM developed and endorsed		Once	MoLSA Progress Reports; Supervision Missions	MoLSA PIU informs the World Bank	MoLSA
Design of a pilot intervention for youth-targeted productive safety net is prepared	In Progress	Once	Design proposal available and shared	Six-Monthly report from Baxnaano	MoLSA
Households registered in the USR		Quarterly	USR	Program specific MIS	MoLSA and WFP





The World Bank

Somalia Shock Responsive Safety Net for Human Capital Project Third Additional Financing (P181469)
